

Circular

3 May 2023

Circular No: 60

Subject: Delivery method through export registration should be preferred in terms of sales of goods, produced via inputs purchased without paying VAT in scope of inward processing authorization certificate, to the exporters.

In advance rulings given by Turkish Revenue Administration (TRA), since it is adopted as principle for taxpayers having inward processing authorization certificate to export and delivery the goods manufactured in scope of the certificate in question through applying postponement-annulment in the framework of article 11/1-c and article 17 of VAT Law, the opinion stating that the tax which has not been collected in due time for the sales of products, manufactured by the certificate owner through purchasing input from abroad or Turkey without paying any VAT, to the exporter via collecting with VAT should be sought from the taxpayer has been adopted.

Therefore, export registered delivery method should be preferred for sales of goods manufactured with inputs purchased from abroad or in Turkey without paying any VAT to exporters in scope of inward processing authorization certificate in accordance with provisional article 17 and article 11/1-c of VAT Law unless a contrary regulation is made regarding the case.

Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.

Best Regards,

KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.